

EAST COCALICO TOWNSHIP AUTHORITY

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Denver, PA 17517

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Email water@ecocalicotwpauth.com

January 14, 2022

Dear East Cocalico Township Authority Water and/or Sanitary Sewer Customer:

We are providing you with this letter to make you aware of a recent 4% increase the Authority had to make to its water and sewer rates. We understand and respect the fact that these are tough times for everyone in our community right now and have done our best to minimize the amount of the increase while still being good financial stewards of our water and sanitary sewer systems.

As you know, we are all personally dealing with inflation and increased prices on goods and services across the board. With that in mind, the Authority is also dealing with all those same issues, however, on a much larger scale. With increases in power and fuel costs to run our 14 well facilities, water treatment plant, five sewer pump stations and maintenance facility coupled with a 30% increase in chemicals and nearly \$200,000 increase in wastewater treatment costs, this rate increase was unfortunately unavoidable and very much required.

In addition, as we must constantly maintain our water and sanitary sewer systems at a high functioning level to provide you with safe and reliable drinking water and wastewater systems and services, we must therefore continue to invest in capital improvements to our system. The Authority has budgeted for nearly 40 capital improvement projects over the next five years totaling approximately \$23 million with nearly \$6.5 million to be expended this year alone and another \$4 million next year. For more information on the Authority or Authority projects, please visit our website at www.eastcocalicotownshipauthority.com.

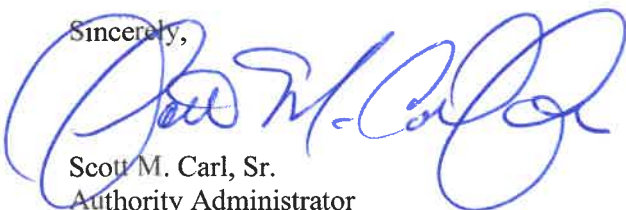
We know this increase is not the news you wanted to hear, but it should be noted that with all the major capital improvements and annual maintenance to the water and sanitary sewer systems the Authority has been faced with, we have done an excellent job of being financially responsible to you, our customers, and have been able to hold our water rates for the past five years (last increase was April 2017) and our sewer rates for the past 13 years (last increase was March 2009).

On December 22, 2021, the East Cocalico Township Authority Board approved water and sewer rate increases beginning with usage on January 1, 2022. On that date, the water rate changed from \$6.85 to \$7.10 per thousand gallons of usage and the sewer rate changed from \$12.10 to \$12.55 per thousand gallons of usage. The flat rate sewer charge for sewer customers NOT connected to the water system changed from \$157.30 per quarter to \$163.15 per quarter. As an example, a water and sewer customer who uses 10,000 gallons every three months will see their quarterly bill increase by \$7.00. The new water and sewer rates will first appear on the bill you receive in April 2022.

In closing, we appreciate all of you, our customers, and pledge to continue working hard to maintain our water and sanitary sewer systems, to continue to provide you with safe and reliable drinking water, and to operate in a financially responsible manner on your behalf.

Thank you for your understanding and cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott M. Carl, Sr.", is written over the word "Sincerely,".

Scott M. Carl, Sr.
Authority Administrator